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of the plant and would make the burden too heavy in the later years, yet, if we seek actual value, then in so far as book items may be adjusted to real values, it presents the facts more accurately than any other method. If we were to assume a large, free market for second-hand plant, we should find that unit values diminish in increasing proportion with age. This is due to the fact that at every point the value of a unit would be equal to the discounted net future earnings that it represents; thus the decline in value would augment from year to year. This fact appears clearly in the valuation of bond premiums.

The question may be raised whether the accepted practice in depreciation accounting, even if not directly admitted in discussion, is anything more than *a method of distributing recurring plant costs to the operating account of the business*? Does the author really mean to show actual unit values? Ideally, of course, it appears attractive to base depreciation on values and thus really keep "capital" intact. Practically, however, such procedure would be difficult to carry out, and it is questionable whether it would serve as good a purpose as the mere distribution of costs. Of course, the procedure adopted must depend on what one wishes to show. The primary purpose, however, is usually to show costs—actual investment and actual expense of operation—and therefore the basis of depreciation charges should be cost. This view is usually followed, and in public utility accounting it would seem to be dictated by desirable public policy. In unregulated business, however, adjustments might well be made to indicate also the actual values in the concern.

The author has attempted too much in the compass of his little book, and consequently has presented an inadequate treatment of much of his subject-matter. This criticism appears particularly true of his classification of hydro-electric plant, his survey of English income tax decisions, his review of American court decisions on depreciation, and more especially of his discussion on valuation.

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Business Economics. By ERNEST L. BOGART. (Chicago: La Salle Extension University. 1915. Pp. viii, 268.)

The word economics usually implies a treatise covering at least the fundamentals of economic science. One would therefore expect to find in this textbook—for it is professedly a textbook—

the accepted principles of economics applied to business in the narrower and more technical sense of commercial activities. An examination of the context discloses, however, that this kind of business is absolutely ignored and that only two of the nineteen chapters contain any considerable amount of economic theory. The lack of any reference to commercial undertakings is the more surprising when it is noted that this book is for use in a business administration course, other texts being on business psychology, business law, advertising, retail merchandising, credits and collections, personal efficiency, applied salesmanship, sales administration, etc.

A more appropriate title for the book would have been "Descriptive Economics," for it consists essentially of an enumeration and description of economic resources, institutions, organizations, and functions with particular reference to the United States. The most satisfactory portions are those which deal with concrete things, as, for example the agricultural resources of the United States (ch. 2) and the mineral resources of the United States (ch. 3). On the other hand, treatment of such subjects as speculation and crises (ch. 6), labor organizations (ch. 8), unemployment and insurance (ch. 9), and money and banking (ch. 13) is decidedly inadequate and unsatisfactory. The defects arise largely from too great condensation and the attempt to include both description and analysis, with some estimate of advantages and disadvantages, in a space insufficient for either alone. For example, ten pages are devoted to money and banking and the following topics are covered: "credit economy, value of money, rising and falling prices, bimetallism, government paper money, kinds of money in the United States, the function of credit, banks, elasticity of currency, the federal reserve system, asset currency, and savings banks."

The greater part of the book suffers from this excessive condensation. Over 200 important topics are covered in 262 pages of text. The space has not always been well distributed or wisely used, but even if it had been it would have been inadequate for a satisfactory treatment. The author has been obliged to deal largely in generalizations and more or less dogmatic assertions. One most flagrant example must suffice as an illustration. On page 144 the following comprises all that is said about the systems of two countries that were pioneers in the field of social insurance:

Germany was the first country to introduce the principle of compulsory accident insurance in 1884. Employers are then organized into associations and sections and are compelled to bear the expense of granting compensation to injured workmen, which compensation amounts to about two-thirds of their average wages. In 1897 England, by the passage of the workmen's compensation act, adopted the principle "that a workman is entitled for all accidents of occupation to a moderate and reasonable compensation."

Nothing that precedes or follows this quoted passage gives a clear idea of what a system of compensation or social insurance really is. The same criticism applies to other topics.

The book contains some excellent chapters and is on the whole well written. It is unfortunate that the author did not confine himself to a narrower range of topics or was not allowed more ample space.

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Scientific Management. A History and Criticism. By HORACE BOOKWALTER DRURY. Columbia University Studies in History, Economics, and Public Law, Vol. LXV, No. 2. (New York: Longmans, Green and Company. 1915. Pp. 222. \$1.75.)

Industrial Organization and Management. By HUGO DIEMER. (Chicago: LaSalle Extension University. 1915. Pp. 284.)

Written from the economist's point of view, Mr. Drury's book is an objective analysis of scientific management in the endeavor to trace its inception and growth and to discover its place in the general economic progress of society. The genesis of scientific management is found in systems of wage payment—Mr. F. W. Taylor himself once referred to his system as a piece-rate system; and it is inferred that scientific management is an outcrop from economic conditions arising out of the Industrial Revolution. The author discusses different wage systems and profit-sharing plans, and shows why scientific management had to grow from a payment system into a science which includes other phases than wage payment. There are also included biographical sketches of the leaders in the movement, giving their contributions to its development.

While the criticism indicates that the author has had no extensive first-hand experience in management, it is objective, impartial, and interesting. It analyzes scientific management and studies the